

**EXHIBIT C**

**Declaration of Coleman Gregory**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:
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<b>LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i>,</b>	:
	:
<b>Debtors.</b>	:
	:
	:
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**Chapter 11 Case No.**  
**08-13555 (JMP)**  
**(Jointly Administered)**

**DECLARATION OF COLEMAN GREGORY, ESQ.**

Pursuant to 28 U.S.C. § 1746, Coleman Gregory, Esq., declares and says:

1. I am Coleman Gregory, Esq., Senior Vice President and General Counsel of PB Capital Corporation (“PB Capital”).

2. I submit this Declaration in support of the Motion Of PB Capital To Include Certain European Medium Term Notes In The Lehman Program Securities List Or, Alternatively, To Deem Such Claims To Be Timely Filed By The Securities Programs Bar Date (the “Motion”) filed concurrently herewith.

3. PB Capital is a wholly-owned subsidiary of Deutsche Postbank AG (“Deutsche Postbank”), a German bank. PB Capital’s principal business activity is that of a finance company, engaging in real estate lending, credit investments and treasury functions.

4. On several dates in late 2007 and early 2008, PB Capital purchased four series of Financial Guarantee Linked Notes due 2027 issued under the Euro Medium Term-Note Program.<sup>1</sup> Deutsche Postbank, PB Capital’s German parent company, at substantially the same time, also acquired four series of Financial Guarantee Linked Notes issued under the Euro

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<sup>1</sup> Capitalized terms used but not otherwise defined herein have the respective definitions ascribed to such terms in the Motion or the Bar Date Order.

Medium Term-Note Program. The EMT Notes were issued by LBTCBV and were guaranteed by LBHI. The EMT Notes were issued under the standard documentation of the Euro Medium Term-Note Program. A true and correct copy of the Final Terms relating to each of the EMT Notes is attached hereto as Exhibits 1, 2, 3 and 4. A true and correct copy of the Base Prospectus with respect to the Euro Medium Term-Note Program is attached hereto as Exhibit 5. A true and correct copy of LBHI's Guarantee Agreement is attached hereto as Exhibit 6.

5. The EMT Notes were "structured" securities, meaning that their payment terms were linked to the cash flow or value of another instrument. In the case of the EMT Notes, the related instruments were financial guarantees issued by LBIE and guaranteed by LBHI. PB Capital was the beneficiary of four of the financial guarantees. Each of the financial guarantees provided PB Capital with a guarantee of certain payments due under securities held by it and issued by a group of structured product companies. PB Capital agreed to pay premiums to LBIE in exchange for the financial guarantees, and simultaneously agreed to purchase the related Financial Guarantee Linked Notes.

6. Promptly after publication of the Program Securities List on July 6, 2009, I confirmed that the Debtors included all four series of EMT Notes on the Program Securities List. A true and correct copy of the July 6 Program Securities List is attached hereto as Exhibit 7.<sup>2</sup> As a consequence, PB Capital concluded that it would not need to ask the Debtors to add the EMT Notes to the list because they were already there. In reliance on the July 6 Program Securities List, PB Capital initiated the process of collecting information and preparing to file a Securities Programs Proof of Claim Form on or before the Securities Programs Bar Date, including obtaining the Blocking Numbers.

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<sup>2</sup> The ISIN numbers representing the EMT Notes are located on lines 4, 5, 7 and 8 of page 3 of Exhibit 7.

7. Pursuant to the procedures set forth in the Bar Date Order, on August 5, 2009, PB Capital asked the Custodian to request Blocking Numbers for the EMT Notes. A true and correct copy of this correspondence is attached hereto as Exhibit 8.

8. On August 10, 2009, the Custodian told PB Capital that DTC did not issue Blocking Numbers. A true and correct copy of this correspondence is attached hereto as Exhibit

9. PB Capital was not aware that DTC does not issue Blocking Numbers until receiving this correspondence from the Custodian. PB Capital concluded that it might have to transfer its Notes to a European clearing system in order to obtain a Blocking Number. Recognizing that resolving this issue could be complicated, and believing that its Euro Medium Term-Note Program Securities were subject to a November 2, 2009 Securities Programs Bar Date, PB Capital turned its attention to other proofs of claim and questionnaires (unrelated to Lehman Program Securities) that were subject to September 22, 2009 or October 22, 2009 bar dates.

9. Once the other proofs of claim and related questionnaires were submitted (all in a timely manner prior to the relevant bar dates), PB Capital again contacted the Custodian on October 7, 2009 to resolve the Blocking Number issue. The Custodian confirmed that DTC could not issue Blocking Numbers, and PB Capital instructed the Custodian to take the necessary steps to transfer the EMT Notes to a European clearing system that could issue Blocking Numbers. A true and correct copy of this correspondence is attached hereto as Exhibit 10. On October 8, 2009, the Custodian, after making inquiries with Euroclear, informed PB Capital that the EMT Notes were not eligible for such a transfer. A true and correct copy of this correspondence is attached hereto as Exhibit 11.

10. On October 8, 2009, PB Capital contacted Debtors' counsel to try to resolve the Blocking Number issue. A true and correct copy of this correspondence is attached hereto as

Exhibit 12. Debtors' counsel then informed PB Capital that the EMT Notes were not on the Program Securities List.

11. Upon further review of the Program Securities List, PB Capital confirmed that the Debtors had included the EMT Notes on the Program Securities List published on July 6, 2009, and discovered that the Debtors had deleted the EMT Notes from the Program Securities List published on July 17, 2009. A copy of the July 17 Program Securities List is attached hereto as Exhibit 13.

12. PB Capital promptly contacted Debtors' counsel again to request that the situation be rectified. Debtors' counsel responded that PB Capital could not file a Securities Programs Proof of Claim Form because its EMT Notes were not on the Program Securities List as of 5:00 pm on July 17, 2009. Debtors' counsel also informed PB Capital, without explanation, that ten securities with identification numbers that included the prefix "US" were deleted from the Program Securities List.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 22, 2009, in New York, New York.

/s/ Coleman Gregory  
Coleman Gregory, Esq.